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**CENTRAL INTELLIGENCE GROUP**  
**INTELLIGENCE REPORT**

25X1A *FLD 152*

**COUNTRY** Germany (Russian Zone)

**DATE:** 25X1A

**SUBJECT** Speculations on an Independent Government in the Russian Zone

**INFO.**  
**DIST.**  
**PAGES**  
**SUPPLEMENT**

**ORIGIN** [ ] 25X1A

25X1X

[ ]

**DISTRIBUTION**

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1. Conferences on the subject of an independent Eastern Zone government have been held recently by high-ranking German officials. At one such meeting, which took place in Radebeul and was attended by Colonel Sergei I. Tulpanov, the latter informed Dr. Kurt Fischer, Minister of the Interior in Saxony, and Dr. Knabe, Minister of Trade and Supply in Saxony, that such a government will be established only in retaliation for a similar move on the part of the western powers for a bi-zonal or tri-zonal government. In any case, the new government, which is to be located in Berlin, will retain greater jurisdiction and authority than the present governments in the Eastern Zone, particularly as regards foreign policy. It was mentioned at this time that Dr. Fischer would be appointed Minister of the Interior and that Dr. Knabe would receive an economic post, as yet undesignated. Although Dr. Wilhelm Külz's name came up during the course of the conversation, the particular office for which he will be nominated was not indicated. According to a statement of Arthur Lieutenant, Külz wished to become minister-president.
2. During the last week of September Fritz Selbmann, Minister of Economy in Saxony, conferred twice with Willy Diecker, Minister of Economy in Saxony-Anhalt, and William Hüttenrauch, recently appointed Minister of Economy in Thuringia (All SED). The two latter persons proposed to Selbmann that he assume the office of Minister of Economy in "an Eastern German People's Republic" to be formed at the close of the London conference. Although Selbmann refused to consider the suggestion at the present time, on the ground that he is still dissatisfied with the functioning of the economic system which he introduced in Saxony and that chaotic conditions there must undergo some improvement before he can accept another post, he nevertheless indicated that he would do so at the desire of the party.
3. In addition to those named above, the following persons were reported by [ ] to be candidates for the following offices in the future Eastern Zone government:

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Minister-President: Dr. Hermann Kastner, Dresden, LDP (supported by the Saxony S'A)  
 Foreign Minister : Dr. Ferdinand Friedensburg, Berlin, CDU  
 Minister of Finance: Dr. O. Steiner, SED.

Jakob Kaiser has been included in none of the proposed governmental combinations. One source states that he is about to resign from his position as leader of the CDU and migrate to the western zones of Germany, in which case he will be replaced by Georg Dertinger.

- 25X1 4. [ ] reports that few of the more publicized offices in the new government will be held by SED members; nevertheless, the party will retain key positions in the various ministries, so that it will ultimately exert the greatest possible influence and control over the formation of governmental policy. [ ] secret preparations are practically completed for the establishment of a "National Communist" Party of Germany to replace the hitherto unsuccessful SED. This party would be directed by Field Marshal Friedrich von Paulus.

25X1A [ ] Comment: For further information on the plans for a nationalist movement led by von Paulus, [ ]

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